

DEALER SEMINAR SPRING 2013

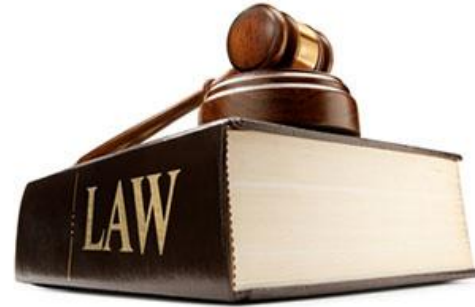
The Maryland Motor Vehicle Administration
Committed to Safety, Service and *You*

*THE MVA SHALL PROVIDE
EXEMPLARY DRIVER AND
VEHICLE SERVICES THAT
PROMOTE MOBILITY AND
SAFETY WHILE ENHANCING
PROCESS AND PRODUCT
SECURITY*

MVA Mission Statement

WHAT'S NEW AT THE MVA?

- ◉ Legislation 2013/2014



- ◉ New Temporary Tag Plate
- ◉ Dealer Disclosure Requirements
- ◉ Dealer Tags
- ◉ Tag transfers

LEGISLATION 2013

◉ June

- Surcharge increases from \$13.50 to \$17.00 per year
 - All registration classes except: L-Historic, N-Street Rod, G-Trailer, K-Farm Area Vehicle, Interchangeable and Gratis registration
- Plug-in Electric Vehicle HOV Permits - new HOV Permits were mailed to existing holders of the HOV Permit with a new expiration date of September 30, 2017
 - HOV Permits with an expiration of 2013 must be returned to Business Licensing

◉ July

- Transfer to Surviving Spouse
 - Vehicle must be titled in both names
 - Need certified death certificate or one of the two listed below
 - Reported Deceased Notice (VR-278)
 - Decedents Letter (VR-264P)
 - No title fee
 - Tax Exempt

- Short Term Rentals of Motorcycles
 - Establishes a new class
 - Allows motorcycles to be rented for up to 180 days
 - Titling fee \$50.00
 - Registration Fee \$35 per year with \$17 surcharge



◉ July Continued

■ MdTA Payment of Tolls

- ◉ Refuse or suspend the registration of a vehicle incurring a toll violation
- ◉ If flagged at MVA, an Administration Flag Fee will be charged
- ◉ Accumulated tolls and penalties amounting to \$1,000 or more may result in a suspension of registration
- ◉ Allows Maryland Transportation Authority to enter into a reciprocal agreement with other states to enforce electronic toll violation for Maryland drivers



◉ July Continued

- Tax Credit Extension Plug-in Electric Vehicle
 - Applies to Plug-in Electric Vehicle titled on or after October 1, 2010 but before July 1, 2014
 - Retro-active for customer's purchasing after MVA cut-off of March 16, 2013 to July 1, 2013
 - \$600 for battery capacity of at least 4.0 but not more than 10.0 Kilowatt-Hours
 - \$700 for battery capacity of at least 10.1 but not more than 15.0 Kilowatt-Hours
 - \$1,000 for battery capacity over 15.0 Kilowatt-Hours
 - Limited to 1 excise tax credit per individual
 - Includes owned or leased vehicles
 - Business entities are limited to 10 vehicle excise tax credits

- Limited funding and excise tax credit will cease when funds are exhausted
- This transaction cannot be processed using ERT. The full amount of tax will be paid when the vehicle is titled. If the vehicle qualifies for the tax credit, they must complete the Excise Tax Credit For Plug-In Vehicles (VR-334). The form must be signed by the applicant/co-applicant and the selling dealer
- Mail the form to:

Maryland Motor Vehicle Administration
6601 Ritchie Highway NE
Excise Tax Refund Unit, Room 202
Glen Burnie, MD 21062

◉ October

- Motorcycle - Individuals with a Disability
 - Changes the combination of disability placards and plates by allowing for up to two disability motorcycle plates to be issued along with one or two placards
 - Or, one placard and one vehicle plate having a class of A, E, M,H, I or J

◉ January 2014

- Vintage Registration Plate - Available until December 31, 2014
 - Specially designed vintage registration plate
 - Issued to the following classifications
 - Class A, Passenger Vehicles
 - Class E, Trucks with rated capacity of 1 ton or less
 - Class L, Historic
 - Class M, Multipurpose
 - Class N, Street Rod
 - New tag format
 - Class A, E, L, M and N: 2 alpha, 5 numeric
 - Disabled A, E, and M: universal wheelchair symbol, 2 alpha, 4 numeric

- Only the Web, Kiosk or ERT may process this transaction
 - Plates will be mailed directly to customer from Maryland Correctional Enterprises (MCE)
 - No inventory at ERT locations
- Classes A, E and M will have the same plate scheme and may be repurchased between classes by paying the registration fee, surcharge and initial issuance fee
- At renewal time, an additional fee will be charged along with the normal registration fee
- Initial issuance and annual fee have not yet been determined

NEW TEMPORARY PLATES

◉ Benefits

- Teflon coated paper - will not require the use of the plastic bags
- The vehicle identification number (VIN), make, model, color and year are located at the top of the plate
- The expiration date is larger
- No barcode
- The temporary plate number is larger and is printed on a reflective strip
- The dealer information is under the temporary plate number
- All dealers will be issuing the new temporary plate by July 1, 2013
- Paper stock can be ordered through MCE using the bag ordering process
 - Phone: 410-799-1240
 - Fax: 410-799-1370

VIN 1234567890ABCDEFGH (MAKE) (COLOR) (YEAR)



MARYLAND

Exp: 06/30/2010

T056463

SOLD BY: ABCDEFGHIJKLMNOPQRS I



T056463
Exp: 06/30/2010

Cut Here – Keep this section with vehicle until registered and plated
Maryland Temporary Registration Certificate (VR-007)
Valid for 60 Days

Vehicle and Owner Information			
Year:	Make:	Model:	Color:
VIN:	Odometer:	State to be titled:	
Owner:	Soundex:	State Licensed:	
Co-Owner:	Soundex:	State Licensed:	
Address of Purchaser(s):			
Dealership and Insurance Information			
Dealer Name:		Dealer Number:	
I/we certify under penalty of law that the vehicle noted on the face hereof is covered by at least the minimum amounts of insurance required by the Maryland Motor Vehicle Laws and that we have no outstanding violations with the Motor Vehicle Administration. We further certify under penalty of perjury, that the statements made herein are true and correct to the best of our knowledge, information and belief.			
Signatures and Date			
Owner:		Dealership:	
Co-Owner:		Date of Delivery:	

VIN 1234567890ABCDEFGH (MAKE) (COLOR) (YEAR)



MARYLAND

Exp: 06/30/2000

012345Z

SOLD BY: ABCDEFGHIJKLMNOPQRST



012345Z
Exp: 06/30/2000

Cut Here – Keep this section with vehicle until registered and plated
Maryland Temporary Registration Certificate (VR-007)
Valid for 60 Days

Vehicle and Owner Information			
Year:	Make:	Model:	Color:
VIN:	Odometer:	State to be titled:	
Owner:	Soundex:	State Licensed:	
Co-Owner:	Soundex:	State Licensed:	
Address of Purchaser(s):			
Dealership and Insurance Information			
Dealer Name:		Dealer Number:	
I/we certify under penalty of law that the vehicle noted on the face hereof is covered by at least the minimum amounts of insurance required by the Maryland Motor Vehicle Laws and that we have no outstanding violations with the Motor Vehicle Administration. We further certify under penalty of perjury, that the statements made herein are true and correct to the best of our knowledge, information and belief.			
Signatures and Date			
Owner:		Dealership:	
Co-Owner:		Date of Delivery:	

DISCLOSURE OF FORMER VEHICLE USE

- Maryland Vehicle Law requires a dealer to disclose to consumers the vehicle's prior use

- Example

- If a dealer has knowledge the vehicle previously was used:
 - As a rental
 - As a Taxi
 - As a demonstrator
 - Other as required see COMAR 11.12.01.14 (M)
- A disclosure form must be completed and the original kept in the dealer sale file with a copy to the customer
 - A dealer may use the MVA form “Disclosure of Former Vehicle Use” (VR-460) or use a form of their choosing as long as it contains the required information
 - The MVA Form is available at <http://www.mva.maryland.gov/BusinessServices/Forms.index.htm>

DATE: May 2, 2013

BULLETIN TO: All Dealers

FROM: Brenda Scheydt, Manager
Business Licensing & Consumer Services

RE: **Disclosure of Former Vehicle Use**

In accordance with Maryland Vehicle Law §15-312 Prohibited acts - Vehicle sales transactions and Code of Maryland Regulations (COMAR) 11.12.01.14M, Disclosure of Former Vehicle Use, the Motor Vehicle Administration (MVA) requires dealers to clearly disclose to consumers in a visible and noticeable manner as to the vehicle prior usage. The MVA does not limit which document must contain the required disclosure.

In order to help facilitate this requirement, the MVA has developed a new form **(VR-460) Disclosure of Former Vehicle Use** that the selling dealer may use to disclose any prior usage of the vehicle being purchased by a consumer. If this form is utilized, it must be completed in ink and signed by both parties at the time of sale. A copy of the disclosure must be given to the customer and the original should be attached to the sales order and maintained in the dealership's customer file. A copy of the disclosure must also be forwarded to the Administration along with the application for title.

If you have any questions or concerns regarding this bulletin, you may contact Mr. Kevin Gamble, Assistant Manager of Business Licensing by email to kgamble@mva.maryland.gov or via telephone to (410) 768-7035.



Disclosure of Former Vehicle Use

The following disclosure of vehicle use is set out in the Code of Maryland Regulations 11.12.01.14M. This form is not intended to be all inclusive. There may be other disclosures required by state or federal laws.

Instructions to Dealer: Please print information in ink.

The vehicle being sold has been previously used: (check all that apply)

- ☐ Motor Vehicle Enforcement Warranty (Lemon Law);
- ☐ For public or governmental purposes and normally driven by multiple drivers;
- ☐ As an executive driven vehicle;
- ☐ As a demonstrator;
- ☐ For driver training;
- ☐ As a taxicab; or
- ☐ As a short-term rental vehicle;
- ☐ Other (Specify) _____

The word "commercial" or similar ambiguous terms may not be used to describe these vehicles.

Vehicle Information

Year _____ Make _____ Model _____ Body Type _____

Vehicle Identification No. _____

Certification

Any willful misinformation provided with fraudulent intent may be prosecuted under Maryland Law. I solemnly affirm under penalties of perjury and upon personal knowledge the contents of the foregoing document are true and correct to the best of my knowledge, information and belief. I further certify that I read and understand the above requirements.

Name of Dealership _____ Dealer License# _____

by

Date

Dealer Signature

Capacity

Printed Name

by

Date

Applicant Signature

Printed Name

by

Date

Applicant Signature

Printed Name

RENEWAL OF DEALER TAGS

Purpose: To provide a greater accountability for dealer tags at renewal

- ◉ Your MVA Business Licensing Representative will mail a current tag listing, along with the tags strips and renewal notice to the dealership to reconcile against the tags that the dealership has in their possession. The renewal tag list will be gratis
- ◉ Any dealer tags not accounted for will be flagged in the MVA mainframe system

TAG TRANSFERS

- New transactions have been added to ERT to reduce insurance violations on tag transfers
- Before finalizing a transaction with a tag transfer, the tag must be processed as a tag return with 0 tags received
 - Reason for return - tags transferred

Following this process will greatly reduce insurance violations

TRADE-IN ALLOWANCE

- COMAR 11.15.33
- The amount of the trade-in allowance may not exceed the trade-in value indicated in the National Publication of used car values adopted for use by the Administration (NADA)
- Allowance may not be divided or deducted from the purchase price of more than one vehicle
- Leased vehicles
 - Applicable if the vehicle is being traded-in on the purchase of the new vehicle
 - The same leasing company owned the trade-in vehicle and was signing it over to the dealership to purchase the new vehicle
- Visit <http://www.dsd.state.md.us/comar> to review full regulations or www.lexisnexis.com to review Maryland laws

LEASED VEHICLES

◉ Lease buyout

- Vehicle already titled in Maryland that has been purchased by a lessee
- Lease agreement must have been more than 180 days to be excise tax exempt
- Co-owner may be added without charging excise tax if the transaction meets the “gift” criteria
- Personalized and Organizational plates can be repurchased with permission from the leasing company or the organization
 - For all other classes, new plates must be purchased

◉ Mail to address

- ERT allows for a alternate mailing address for leased vehicles
 - This feature must be utilized in order to have the title mailed to the leasing company

CORRECTIONS

OWNER CORRECTION

◉ Documents Required

- Letter of explanation from dealership on letterhead
- Incorrect title
- Incorrect SIF (if applicable)
- New VR-5
- If removing a name, a letter from both individuals explaining the reason for removal
- Correction Fee \$50.00



Note: Owner correction can only be made within the first year of titling

SWITCHED CERTIFICATE OF ORIGIN

◉ Documents Required

- Letter of explanation from dealership
- Incorrect title
- Incorrect SIF (if applicable)
- New VR-5
- Correct certificate of origin
- Odometer statement
- Correction fee \$50.00

VIN/MAKE/YEAR/BODY STYLE

◉ Documents Required

- Letter stating what is being corrected
- Incorrect title
- Incorrect SIF (if applicable)
- Correct fee \$50.00

BULLETINS



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- E-Mail Management
- Mopeds/Scooters/ORVs
- Scheduling Appointments
- More...

DRIVER SERVICES

- Driver Education Information
- Driving Records
- Driver Licenses/ID Cards
- Motorcycle Safety Program
- More...

VEHICLE SERVICES

- Disability Placards
- New to Maryland
- Title & Registration
- VEIP
- More...

BUSINESS SERVICES

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- Licensed Tag & Title Services
- Towing/Ins. Contact Registry
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Buying a Vehicle in Maryland?



If you are selling, buying, gifting or donating a vehicle in Maryland, the transaction can be confusing. That's why each step is covered in this guide to help you privately sell or buy a vehicle, donate or give the vehicle as a gift. [Learn more...](#)

Information for Law Enforcement Agencies

Vehicle Services

- Registration Renewal
- Insurance Compliance
- Military
- Temporary Registration
- Vehicle Emissions Extension

Driver Services

- Driver's License / Learner's Permit
- Online Driver Test Tutorial
- Online Vision Certification Service
- Rookie Driver
- Sources of Proof of ID

Driver Safety

- Bicycle Safety
- Young Driver Safety
- Older Driver Safety
- Motorcycle Safety

MVA Video

- Disabled Parking
- Motor Scooters
- Bicycle Safety
- More...



DO IT ONLINE

- MVA Branch Office Wait Times
- Account Management
- Change of Address
- Driving Records
- Emergency Contacts
- Schedule Driver's Skills Test

MVA Announcements

Excise Tax Credit for Plug in Electric Vehicles

Effective 3/16, the Excise Tax Credit for Plug in Electric Vehicles will no longer be available when submitting a titling request to MVA. [Learn more...](#)

More Announcements

Can be viewed by [clicking here...](#)



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For questions or concerns, please [contact us](#).



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Dealer Bulletins

- [May 2, 2013 - Disclosure of Former Vehicle Use](#)
- [Mar. 12, 2013 - Plug in Electric Vehicle Tax Credit](#)
- [Dec. 21, 2012 - MVA Alert: Branch Office Walk-In Procedures](#)
- [Oct. 15, 2012 - Processing Fee Reminder](#)
- [Sep. 27, 2012 - Mopeds and Motor Scooters Decal Reminder](#)
- [Sep. 18, 2012 - Moped and Motor Scooter Decals](#)
- [Aug. 28, 2012 - Changes to Walk-In Transactions](#)
- [June 28, 2012 - Bulletins by Email](#)
- [June 22, 2012 - VA Dealers Excise Tax Collection](#)
- [June 21, 2012 - Dealer Disclosures](#)
- [June 20, 2012 - Title Service Requirements](#)
- [May 29, 2012 - Legislation 2012 That Impacts Dealers](#)
- [May 9, 2012 - Buying Services](#)
- [Feb. 29, 2012 - Tag Return Collection Center](#)
- [Jan. 4, 2012 - Processing Fee](#)

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Towing Bulletins

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Please complete the form below to sign up for this mailing list. To update or cancel current subscriptions, use the link below.

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INTERACTIVE TITLE AND REGISTRATION MANUAL

Now available on MVA's website

www.mva.maryland.gov

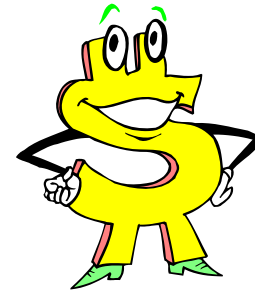
BENEFITS

- Provides online guidance to dealers and title services



- Information provided will increase efficiency, leading to greater customer service and satisfaction

- Assist with the proper completion of transactions, increase accuracy and reduce rejected transactions



- Includes contact information for MVA, dealers associations and ERT Vendors

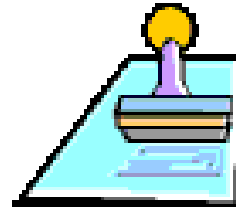
DEALER AUDIT TIDBITS

TEMPORARY TAGS

- ◉ No temporary registration certificate can be issued for a courtesy delivery
- ◉ Dealers should keep a record denoting which temporary tags were issued

TRANSMITTAL SHEETS/TITLE LATENESS

- Ensure the branch office date stamps all transmittal sheets



- Retain for 3 years
- Walk-ins do not require a transmittal, but ensure you are receiving credit for the date the work is processed

Late transactions range from 8% to 25% from date of delivery to final date

INSPECTION CERTIFICATES

- ◉ A used vehicle should be inspected on or before the date of delivery



- ◉ Valid from 6 months from date of inspection or until 1,000 miles have been added to the odometer

ERT STICKER & TAG ACCOUNTABILITY

- All sensitive items should be accounted for



- Have a log, ledger or perpetual records

- Stolen stickers or tags should be reported to the ERT Unit, Business Licensing and your local law enforcement jurisdiction



- Voided inventory should be documented properly
- Limit access to secured inventory to necessary employees only

TAXABLE SELLING PRICE

- Dealer processing fee is taxable and should be included in the taxable selling price
 - Is currently \$200, increases to \$300 in 2014
 - Should be clearly identified and not included as a lump sum on the buyer's order and sales invoice
- Manufacturer's rebates are taxable and should be included in the taxable selling price



Internal Auditing is mandated by the Legislative Auditors to expand dealership audits that have excise tax due based on numerous instances or fraud

TRADE-INS

- COMAR 11.15.33.05 allows dealerships to deduct the trade-in allowance from the taxable selling price
 - The amount of the trade-in allowance may not exceed the trade-in value indicated in the national publication of used cars adopted for use by the Administration
 - Internal Auditing is reviewing transactions on every dealership audit to determine if trade-ins are being handled properly
 - Will tax any material differences and expand when applicable
 - Only 1 trade-in is allowed on any particular transaction
 - The trade-in allowance shall be limited to the vehicle with the highest trade-in vehicle

VENDOR AGED TRANSACTION REPORTS OR PAST DUE PENDING REPORTS

- Monitor/review reports to ensure transactions are processed within 30 days
- Reports occasionally contain transactions that are extremely late
 - In most cases the transactions were walked into MVA to be processed and should have been voided or deleted from the ERT system
- Review these reports for accuracy and correct or delete transactions when appropriate



QUESTIONS AND ANSWERS

Frederick

- ◉ **Do you need a MD State Inspection to do a title only on a lease buyout? Why can't we process these through CVR?**

No, you do not need to have the vehicle inspected. Yes, you can process this type of transaction electronically. However, NI (needs inspection) must be recorded in the inspection field.

- ◉ **Is it OK to use a letter of correction for a mileage error on the back of a Maryland title?**

In order to correct the mileage, you need to apply for a duplicate title. Not all states will accept a letter of correction.

Annapolis

- ◉ **I know we've discussed before, that if a customer has a Maryland driver's license, we MUST collect tax and pay it to Maryland. What can we do in the case where we have a Maryland resident as the FIRST buyer (because of his GOOD credit), but the co-buyer has an out of state driver's license, and they want to title and register the vehicle in the OTHER state, since the co-buyer will be driving it. In this case, do we STILL have to pay tax to Maryland? BTW, the other state is fine with the first buyer having a Maryland driver's license.**

No you do not have to collect the taxes because the vehicle is going to be titled in another state.

- ◉ **Why doesn't the sticker # print on the MVA receipts? It does on CVR.**
The sticker number does not print on the receipt because the MVA system is designed to print the information on the registration card before the sticker is issued.
- ◉ **Do we still send a copy of the secure power of attorney to Room 202 with copy of duplicate title?**

Only one copy of the secure power of attorney needs to be submitted with the title documents

- ◉ **If repurchasing 1812 tags when changing classes, do you get a refund on the unused year? If so, how? What is the incentive to transfer them? Why not just get new tags?**

Yes, the customer needs to complete the refund form and attach a copy of the old registration card. The form and registration card will be mailed to the Glen Burnie Office Room 202.

- ◉ **Excise Tax – Is there tax on tire & wheel plans or Family Customer for Life?**

No.

- ◉ **How should we handle trades from deceased individuals, especially when reselling them? What documents do I need to collect from customers and how should the title be signed?**

You will need the death certificate, title certificate and lien release if applicable. The back of the title is signed by the survivor in the case the vehicle is titled in two names. If titled only in the deceased's name, the person listed on the Letters of Administration will need to sign the back of the title.

- ◉ **How can we avoid electronic violations on insurance inquiry for trade-in vehicles within a few days of purchase?**

The vendors for the Electronic Registration and Titling System (ERT) are currently programming a transaction which will allow tag transfer transactions to update the MVA database.

- ◉ **What is the reason for inconsistencies between Branches and what is being done to rectify?**

A MVA Work Group consisting of employees from each Branch Office has been formed to address issues. If you are having problems, please advise the Maryland Automobile Dealers Association (MADA). They will contact us with your issues.

- ◉ We recently were informed that when the permanent tag is issued, the customer needs to return immediately to pick up their new plates. They are under the impression that the temporary plate is good for 60 days. We call and send postcards, but if the customer cannot return immediately they are driving on illegal tags, even though the expiration date on their temporary tag is still well into the future. Can this be changed? What does MVA suggest we do for our customers to keep their registration legal?

The registration is still legal. The temporary tag has an expiration date of 60 days and the registration is valid for 60 days. The issuance of the metal plates updates on the MVA's database once the transaction is transmitted and the 60 day temporary tag remains on the database for 180 days. The owner should have the temporary registration that was issued if stopped by law enforcement.

- ◉ If the dealership issued tags in error instead of processing a transfer how do we return the tags and have the refund come back to the dealership instead of the customer?

Contact the Correction Unit to correct the database to reflect the tag transfer. Return the new tags issued in error to the Central Tag Return Unit and request a refund. In order to issue the refund to the dealership the MVA must receive written permission from the vehicle owner.

- ◉ I keep getting calls from customers who we have either transferred tags from their trades or we have turned in their tags but got notices from MVA or state jurisdictions concerning the whereabouts of their old car. Is there a way to get their names off the old car so they don't get letters?

No, MVA is required to maintain the last owner of a vehicle titled in Maryland.

- ◉ We are still unclear on the rules of allowing a tax credit on leased vehicles. Will you please go over the rules again of lease to buy or lease to lease and when you can take the tax credit and when you cannot? It seems to us if the lessee is paying the tax on a lease they should be able to use the tax credit even if they trade a vehicle leased by one company and the new lease is a different leasing company. Thank you.

A trade-in allowance may be applied to the purchase price of a leased vehicle if the trade-in is in the same owner's name as the name of the lessee on the purchased vehicle; or the vehicle is:

- Owned by the same leasing company purchasing the vehicle;
- Being assigned to the dealer; and
- Becoming a part of the dealers inventory for resale.
- A trade-in does not include a vehicle acquired by a dealer but not assigned to a dealer.

- ⦿ **Registered Rental cars that are used as loaners - Please specify the tax payment & necessity as to why.**

Short term rental vehicles are subject to Sales & Use tax payable to the Comptroller's Office. Please contact the Comptroller's Office for questions regarding Sales & Use tax and/or to set up an account. Vehicles that are not used for short term rental will be charged title, registration, taxes and all other applicable fees.



MOTOR VEHICLE ADMINISTRATION

CERTIFICATE OF COMPLETION

Dealer Seminar
Spring 2013

IN RECOGNITION OF SUCCESSFULLY
COMPLETING THE SEMINAR

YOU DID IT!

